



December 10, 1997

Office of the Secretary
CC Docket No. 96-45
Federal Communications Commission
Room 222
1919 M. Street, N. W.
Washington, D. C. 20554

To Whom It May Concern:

Pursuant to Federal Communications Commission Report and Order 97-157 in CC Docket 96-45, Federal-State Joint Board on Universal Service, Carnegie Telephone Company, Inc., hereby gives notice to the Federal Communications Commission of its designation of eligible telecommunications carrier status. Enclosed is Oklahoma Corporation Commission Order No. 418436 which designates Carnegie Telephone Company, listed on Attachment "A", as an eligible telecommunications carrier for receipt of Federal Universal Service funds within the State of Oklahoma.

Should you have any questions, please contact Gary Woodruff at 580-654-1002.

Sincerely,

Lyn D. Johnson
Vice President

Enclosure

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BEFORE THE CORPORATION COMMISSION
OF THE STATE OF OKLAHOMA

IN THE MATTER OF THE)
APPLICATION OF ALLTEL)
OKLAHOMA, INC., ET AL,)
FOR DESIGNATION AS)
TELECOMMUNICATIONS)
CARRIERS ELIGIBLE FOR)
UNIVERSAL SERVICE)
SUPPORT PURSUANT TO)
SECTION 254 OF THE)
TELECOMMUNICATIONS)
ACT OF 1996.)

CAUSE PUD NO. 970000522

APPLICATION OF GTE)
SOUTHWEST, GTE MIDWEST)
INCORPORATED AND GTE)
ARKANSAS INCORPORATED)
FOR DESIGNATION AS AN)
ELIGIBLE TELECOMMUNI-)
CATIONS CARRIER PURSUANT)
TO THE FCC UNIVERSAL)
SERVICE REPORT AND ORDER.)

CAUSE PUD NO. 970000515

APPLICATION OF SOUTH-)
WESTERN BELL TELEPHONE)
COMPANY FOR DESIGNATION)
AS AN ELIGIBLE TELECOM-)
MUNICATIONS CARRIER)
PURSUANT TO THE FCC)
UNIVERSAL SERVICE REPORT)
AND ORDER.)

CAUSE PUD NO. 970000530

ORDER NO. 418436

HEARING: November 24, 1997, before Robert E. Goldfield, Administrative Law
Judge

APPEARANCES: Cody B. Waddell, Attorney for ALLTEL Oklahoma, Inc.; Oklahoma ALLTEL, Inc.; Oklahoma Communication Systems, Inc.; Mid-America Telephone, Inc.; and Wyandotte Telephone Company

Ron Comingdeer and Mary Kathryn Kunc, Attorneys for Oklahoma Rural Telephone Coalition; Craw-Kan Telephone Cooperative, Inc.; Elkhart Telephone Company, Inc.; Ozark Telephone Company; and Seneca Telephone Company

William J. Bullard, Attorney for Chouteau Telephone Company and Totah Telephone Company, Inc.

Rick Zucker, Attorney for GTE Southwest Incorporated, GTE Midwest Incorporated and GTE Arkansas Incorporated

Roger K. Toppins and Amy R. Wagner, Attorneys for Southwestern Bell Telephone Company

Dara Derryberry Prentice and Micky S. Moon, Assistant Attorneys General

John W. Gray, Senior Attorney, Oklahoma Corporation Commission

BY THE COMMISSION:

The Corporation Commission of the State of Oklahoma ("Commission") being regularly in session and the undersigned Commissioners being present and participating, there comes on for consideration and action the application of ALLTEL Oklahoma, Inc., and other incumbent local exchange carriers (Cause No. PUD 970000522); the application of GTE Southwest Incorporated, GTE Midwest Incorporated and GTE Arkansas Incorporated (Cause No. PUD 970000515); and the application of Southwestern Bell Telephone Company (Cause No. PUD 970000530). All applicants in all three Causes seek designation by the Commission as

telecommunications carriers eligible for universal service support in their certificated areas pursuant to Section 254 of the Telecommunications Act of 1996 (the "Act").

The Causes were filed on November 5, 1997; October 31, 1997; and November 12, 1997, respectively. After proper notice given, all three Causes were called for hearing on a consolidated record before the Administrative Law Judge ("ALJ") on November 24, 1997, and the Causes now come on for final disposition by the Commission.

Summary of Evidence

Mr. Larry Krajci, Manager, State Regulatory Affairs, ALLTEL Communications, Inc., testified on behalf of all applicants in all three Causes. Mr. Krajci testified that the rural incumbent local exchange carriers requesting to be designated by the Commission as carriers eligible for universal support in their certificated areas pursuant to Section 254 of the Act are listed in Attachment "A" to the application filed in Cause No. PUD 970000522, along with GTE Southwest Incorporated, GTE Midwest Incorporated, GTE Arkansas Incorporated and Southwestern Bell Telephone Company.

Mr. Krajci testified that he has met with representatives of the applicants in all three Causes concerning the same issues that are raised in all three applications. He testified that all of those companies are similarly situated in regard to those issues as is his company and that their position on those issues is the same as is his company's. Therefore, his testimony is intended to be applicable to all of those companies and in support of all three applications.

Mr. Krajci testified that as a part of his job responsibilities he is familiar with the provisions of Section 254 of the Act pertaining to federal universal support; as well as the Federal Communications Commission's ("FCC") Report and Order issued May 7, 1997, in FCC Docket No. 96-45, along with its final rules, implementing changes to the federal universal support system. He testified that Section 254 of the Act enacted policy changes to the federal universal support system, and established a subsequent schedule by which a joint universal service board, as well as the FCC, would implement rules and regulations embodying those policy changes.

The FCC's rules are codified in Title 47 of the Code of Federal Regulations ("C.F.R."). Mr. Krajci testified that 47 C.F.R. 54.201(b) authorizes this Commission, on its own motion or upon request, to designate an "eligible telecommunications carrier" for rural service areas served by rural telephone companies, so long as the carrier meets the requirements of 47 C.F.R. 54.201(d). In addition, he testified that from conversations with representatives of all applicants, to the best of his knowledge and belief, all of the Applicants qualify for designation as "eligible telecommunications carriers" under the provisions of 47 C.F.R. 54.201(d), in that throughout their respective exchanges or service areas, each of them (with the exception described below) offers the services to be supported by federal universal support using their own facilities; and advertise the availability of such services and the charges therefore using media of general distribution.

Mr. Krajci testified that as of January 1, 1998, Applicants are required to offer the following services as set forth in 47 C.F.R. 54.101(a):

- (1) Voice grade access to the public switched network;
- (2) Local Usage;
- (3) Dual tone multi-frequency signaling or its functional equivalent;
- (4) Single-party service or its functional equivalent;
- (5) Access to emergency services;
- (6) Access to operator services;
- (7) Access to interexchange service;
- (8) Access to directory assistance; and,
- (9) Toll limitation services for qualifying low-income consumers.

Mr. Krajci testified that to the best of his knowledge and belief, none of the Applicants currently offer all aspects of the ninth service, toll limitation for qualifying low-income consumers, as it is defined by the FCC. The FCC has defined toll limitation in C.F.R. 54.400(a)(3) as including both toll blocking and toll control. "Toll control" is defined at 47 C.F.R. 54.400(a)(3) as "a service provided by carriers that allows consumers to specify a certain amount of toll usage that may be incurred on their telecommunications channel per month or per billing cycle." He testified that while Applicants are able to provide toll blocking, none of the Applicants have the technical ability to provide toll control.

Mr. Krajci sponsored certain Exhibits in support of his testimony that Applicants do not have the technical ability to provide toll control. These exhibits are letters to TDS Telecom from Lucent Technologies, NORTEL and SIEMENS Stromberg-Carlson indicating generally that switching equipment and technology is not now available that would allow carriers to offer toll limitation as defined by the FCC and that such equipment is not now being developed. Mr. Krajci further testified that, in order for Applicants to provide toll limitation, there would have to be extensive revisions to telephone company billing systems and totally new information exchanges established with other carriers to provide the capability required by the FCC. He testified that at the present time, and for the foreseeable future, these exceptional circumstances prevent Applicants from providing toll limitation as defined by the FCC.

Mr. Krajci testified that given the matter of toll limitation is likely to receive reconsideration by the FCC and that this Commission has been given the flexibility within the FCC's "additional time" rules to address this requirement specifically, Applicants are requesting that the Commission grant them a blanket waiver with respect to the offering of the toll limitation requirement until such time as the FCC acts upon reconsideration requests of its Universal Service Order. He testified that such action by the Commission will ensure that the availability of interstate universal service cost recovery support for Applicants is not placed in jeopardy.

Additionally, Mr. Krajci testified that pursuant to the provisions of OAC 165:55-17-29 (Carrier of Last Resort/Eligible Telecommunications Carrier) and OAC 165:55-13-10 (Minimum service standards), Applicants believe they have already been designated by this Commission as telecommunications carriers eligible to receive federal universal service support. He testified, however, that out of an abundance of caution and to obtain the needed waiver relating to toll limitation, all Applicants are requesting a Commission order specifically designating them as eligible carriers and granting the requested waiver.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Upon full and fair consideration of the record of this Cause and being well and fully advised in the premises, the Commission makes the following findings and conclusions:

1. Proper notice was given in these Causes in accordance with Commission rules.

2. The Commission has jurisdiction of this matter pursuant to the provisions of Article IX, Section 18 of the Oklahoma Constitution; 17 O.S. 131 et seq; OAC 165:55-1-1 et seq; Section 214(e) and Section 254 of the Telecommunications Act of 1996; and 47 C.F.R. Section 54.201 et seq.

3. The Commission finds from the pleadings, evidence and testimony presented in this Cause:

- (a) that all three applications should be granted;
- (b) that all of the Applicants qualify for designation as "eligible telecommunications carriers" under the provisions of 47 C.F.R. 54.201(d), in that throughout their respective exchanges or service areas, each offer (with the exception noted below) the services that are supported by federal universal support mechanisms using its own facilities; and, advertise the availability of such services and the charges therefor, using media of general distribution;
- (c) that all Applicants, therefore, should be designated as carriers eligible for universal service support for all service areas (for Southwestern Bell Telephone Company the service area is designated as each exchange) for which they are certificated pursuant to Section 254 of the Telecommunications Act of 1996; and, that prior to December 31, 1997, the Commission shall provide the Universal Service Administrative Company ("USAC") with all names of eligible communications carriers, with a copy to be provided to the Office of the Secretary at the FCC;
- (d) that all Applicants, due to exceptional circumstances, are incapable of offering toll limitation service now or in the foreseeable future; and, pursuant to the additional time provisions of 47 C.F.R. 54.101(c), should be granted a waiver from that requirement until such time as industry technology and standards have been

developed and implemented which will allow them to provide this service or until the FCC reconsiders this issue and directs otherwise; and,

- (e) that all Applicants shall report to the Commission on an annual basis beginning one year from the date of this Order, on the status of industry technology and standards affecting their ability to provide toll limitation service; which obligation shall cease if the FCC eliminates or revises that service requirement upon reconsideration of that issue.

ORDER

IT IS THEREFORE THE ORDER OF THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA that the applications of ALLTEL Oklahoma, Inc., et al.; GTE Southwest Incorporated, GTE Midwest Incorporated and GTE Arkansas Incorporated; and Southwestern Bell Telephone Company; for designation as telecommunications carriers eligible for universal service support in their certificated service areas pursuant to Section 254 of the Telecommunications Act of 1996, are hereby granted.

IT IS FURTHER ORDERED that each of those incumbent local exchange carriers as listed in Attachment "A" hereto and made a part hereof are hereby designated as eligible telecommunications carriers for all service areas (for Southwestern Bell Telephone Company the service area is designated as each exchange) for which they are certificated, for purposes of the federal universal service program; and, that prior to December 31, 1997, the Commission shall provide the Universal Service Administrative Company ("USAC") with all names of eligible communications carriers, with a copy to be provided to the Office of the Secretary at the FCC.

IT IS FURTHER ORDERED that due to exceptional circumstances, all Applicant companies are hereby granted a waiver from providing toll limitation service until such time as industry technology and standards have been developed and


implemented which will allow them to provide this service or until the FCC reconsiders this issue and directs otherwise.

IT IS FURTHER ORDERED that all Applicants shall report to the Commission on an annual basis beginning one year from the date of this Order, on the status of industry technology and standards affecting their ability to provide toll limitation service; which obligation shall cease if the FCC eliminates or revises that service requirement upon reconsideration of that issue.

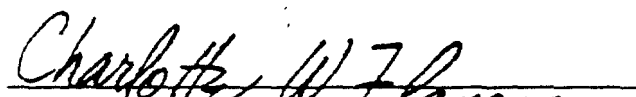
OKLAHOMA CORPORATION COMMISSION


ED APPLE, Chairman


BOB ANTHONY, Vice Chairman



DENISE A. BODE, Commissioner

DONE AND PERFORMED THIS 3 DAY OF Dec., 1997.
BY ORDER OF THE COMMISSION:


CHARLOTTE W. FLANAGAN, Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing findings and order are the report and recommendations of the Administrative Law Judge.


ROBERT E. GOLDFELD
Administrative Law Judge

November 26, 1997
Date

Oklahoma Corporation Commission
Cause PUD No. 970000522
Cause PUD No. 970000515
Cause PUD No. 970000530

ATTACHMENT "A"

Atlas Telephone Company
E. D. Raus, Manager-President
P. O. Box 77
Big Cabin, OK 74332
(918)783-5111

ALLTEL Oklahoma, Inc.
Jimmie D. Williams, President
P. O. Box 460
Poteau, OK 74953
(918) 647-8824

Beggs Telephone Company, Inc.
Dr. Kay H. Mount, President & General Manager
5th & Choctaw
Beggs, OK 74421
(918)267-3636

Bixby Telephone Company, Inc.
Jerry K. Kite, Executive Vice President and General Manager
P.O. Box 98
Bixby, OK 74008
(918)366-8201

Canadian Valley Telephone Company
Charles O. Smith, President, General Manager
Access Road 69 Highway
Crowder, OK 74430
(918)334-3700

Carnegie Telephone Company
Lyn Johnson, Assistant Manager
1st & Colorado
Carnegie, OK 73015
(405)654-1002

Central Oklahoma Telephone Company
J. Steven Guest, President & General Manager
223 Broadway
Davenport, OK 74026
(918)377-2241

Cherokee Telephone Company
James Young
Service Road & McKinley
Calera, OK 74730
(405)434-5375

Chickasaw Telephone Company
J. B. "Sonny" Bright, President-Manager
124 W. Vinita
P. O. Box 460
Sulphur, OK 73086-0460
(405) 622-2117

Chouteau Telephone Company
Robert J. Tutty, President & General Manager
P.O. Box 909
Chouteau, OK 74337
(918)476-8311

Cimarron Telephone Company
Gene Baldwin Vice President
101 Cimarron Street
Mannford, OK 74044
(918)865-3311

Craw-Kan Telephone Cooperative, Inc.
Jerry James, General Manager
P. O. Box 100
Girard, KS 66743
(316) 724-8235

Cross Telephone Company
V. David Miller, President
704 3rd Avenue
Warner, OK 74469
(918)463-2921

Dobson Telephone Company, Inc.
Stephen Dobson, President
13439 N. Broadway Ext., Suite 200
Oklahoma City, OK 73114
(405) 391-8500

EagleNet, Inc.
Ron Strecker, Manager
P. O. Box 779
Guymon, OK 73942
(405) 338-5590

Elkhart Telephone Company, Inc.
Bob Boaldin, President
610 S. Cosmos
P. O. Box 817
Elkhart, KS 67950-0817
(316) 697-2111

GTE Southwest Incorporated
GTE Midwest Incorporated
GTE Arkansas Incorporated
M. Michael Foster
1000 GTE Drive
Wentzville, MO 63385
(314) 332-7572

Grand Telephone Company, Inc.
J. L. Houck, E.V.P./General Manager & Treasurer
P. O. Box 308
Jay, OK 74346
(918) 253-43231

Hinton Telephone Company
Kenneth Doughty
200 W. Main
Hinton, OK 73047-1040
(405) 542-3262

Kanokla Telephone Association, Inc.
Greg Aldridge, General Manager
100 KanOkla Avenue
P.O. Box 111
Caldwell, KS 67022
(316) 845-5682

Lavaca Telephone Company, Inc.
d/b/a Pinnacle Communications
Keith Gibson, President
P. O. Box 230
Lavaca, AR 72941
(501)674-2211

McLoud Telephone Company, Inc.
Jim Rutherford, President
13439 N. Broadway Ext., Suite 200
Oklahoma City, OK 73114
(405)749-0500

Medicine Park Telephone Company, Inc.
Edward A. Hilliary, Jr. President
P.O. Box 171
Medicine Park, OK 73357
(405)529-2700

Mid-America Telephone, Inc.
Gary Torbett, Area Manager
P. O. Box 7
Stonewall, OK 74871
(405) 265-4211

Oklahoma ALLTEL, Inc.
Jimmie D. Williams, President
P. O. Box 460
Poteau, OK 74953
(918) 647-8824

Oklahoma Communication Systems, Inc.
Gary Torbett, Area Manager
P. O. Box 220
Choctaw, OK 73020
(405) 390-8181

Oklahoma Telephone & Telegraph, Inc.
Toney, Prather, President
P.O. Box 290
DeLeon, TX 76444

Oklahoma Western Telephone Company
Pauline Van Horn, President
P.O. Box 399
Clayton, OK 74536
(918)569-4111

Ozark Telephone Company
Walter E. Mitchell, President
P. O. Box 329
Seneca, MO 64865
(417) 776-2247

Panhandle Telephone Cooperative, Inc.
Ron Strecker, General Manager
602 S. Main
Guymon, OK 73942
(405)338-2556

Pine Telephone Company, Inc.
Jerry Whisenhunt, Manager & Board Member
P. O. Box 548
Broken Bow, OK 74728
(405) 584-3355

Pioneer Telephone Cooperative, Inc.
Richard Ruhl, General Manager
P. O. Box 539
Kingfisher, OK 73750
(405)375-6674

Pottawatomie Telephone Company
Danny B. Overland, Vice President
P.O. Box 66
Earlsboro, OK 74840
(405)997-5201

Salina-Spavinaw Telephone Company, Inc.
Janet K. Robson, President & General Manager
7126 S. Yale, Suite 208
Tulsa, OK 74136
(918)496-8166

Santa Rosa Telephone Cooperative, Inc.
Dennis Raines, Manager
1401 Main Street
Vernon, TX 76384
(817)886-2217

Seneca Telephone Company
Walter E. Mitchell, President
P. O. Box 329
Seneca, MO 64865
(417) 776-2247

Shidler Telephone Company
John M. White, President & General Manager
120 Broadway
Shidler, OK 74652
(405)793-2212

South Central Telephone Association, Inc.
Ernest Campidilli, General Manager
P.O. Box Drawer B
Medicine Lodge, KS 67104
(316)886-5629

Southwest Oklahoma Telephone Company
Tom Green, President
Duke, OK 73532
(405)679-3345

Southwestern Bell Telephone Company
Dave R. Lopez, President
One Bell Central
800 N. Harvey
Oklahoma City, OK 73102
(405) 236-2510

Terral Telephone Company
Dick R. Segress, President/General Manager
7701 N. Broadway, Suite A-5
Oklahoma City, OK 73116
(405)842-1764

Totah Telephone Company, Inc.
Jesse R. Gailey, President & General Manager
P.O. Box 300
Ochelata, OK 74051
(918)535-2208

Valliant Telephone Company
Robert Prince, President & General Manager
100 E. Wilson
Valliant, OK 74764
(405)933-4400

Wyandotte Telephone Company
Gary Torbett, Area Manager
101 Main
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(918) 543-2417